



**BAF II Case Study No. 4**  
September 2021

**Loca**  
Website:  
<https://loca.la>

Sector:  
**Transport**  
BDS activity:  
**Digital mapping software**

BDS providers:  
**Freelance consultants**



# Adding some vroom! to ride-hailing in Laos

## About the company

Established in 2018, Loca is Laos’ first and most successful ride hailing company. Similar in approach to firms like Lyft, Uber and Grab, individuals can use Loca’s app on their smart phone to book a car and driver to take them from one place to another, for a pre-agreed fee (see the image below). The company’s service offering is disrupting the conventional market for taxis, and has created an additional source of income for men and women.

In August 2021, the company was the only Lao firm to be included in Forbes Asia’s ‘100 to Watch’ rankings.\* The company’s cars currently serve Vientiane, Luang Prabang and Pakse only, but the company plans to expand to other locations in Laos. Prior to the pandemic, the bulk of Loca’s demand came from ride hailing by foreign tourists and resident expats, but this source of business declined markedly in 2020, as a direct result of the pandemic. The company responded by offering news services around the delivery of food and parcels.



## What was the growth challenge ?

Loca’s initial data platform was wholly dependent on the Google Maps service, for which they had to pay a monthly fee to help create mapping data, route calculations and direction planning for the drivers. But the company found that Google Maps’ coverage in Laos was inaccurate, did not include residential addresses, and had other weaknesses that adversely impacted on the quality of service that Loca was seeking to provide to both drivers and customers.

The decision was therefore made to develop Loca’s own data mapping platform that would be more accurate, and allow regular customers to input their residential addresses. In so doing, the monthly service fee to Google Maps is no longer necessary, thereby also reducing the company’s operating costs.

\*See: [www.forbes.com/sites/forbesasiateam/2021/08/09/forbes-asia-100-to-watch](http://www.forbes.com/sites/forbesasiateam/2021/08/09/forbes-asia-100-to-watch)





“With the support of BAF II, it has been possible to pursue opportunities that allow us to grow our business faster, and to exceed our desired goals.”

Mr Souliyo Vongdala, CEO, Loca.



“LOCA has shown its resilience throughout pandemic, with an ability to execute its innovative business model. With BAF II support, LOCA developed its own mapping system, which is more cost effective. BAF II is keen to support firms in maximizing their growth potential, and pursue efficiency gains that will make them more competitive..”

Ms Thouni, BAF II Business Advisor



## Looking to the future

Technological advances being made across a wide range of business activities are radically altering the way we go about day-to-day living. Just look at the extent to which we, as consumers, are migrating towards the use of e-commerce and ordering on-line. The pandemic did not stop this trend; it actually accelerated it. The same is true for services like transport and logistics, moving goods and people from point A to point B, as efficiently as possible. One spin off has been the growth in ‘gig workers’ – people who are not formally employees of a company, but nonetheless sell their services, either as their primary source of income, or as an additional income source. Loca’s business model is based in large part on the principles of this new gig worker economy.



## Some useful lessons

The pace of merger and acquisition activity in the app-driven car hailing ‘space’ has been intense in recent years, and Loca needs to ensure that its position in the Lao market is not overtaken by rivals. Some of those potential rivals have deep financial pockets, and Loca cannot assume that it will remain the only player in Laos. The development of its own proprietary data mapping platform should give it a competitive advantage over its rivals, and help in its efforts to maintain a dominant market share.

The pandemic has been a testing time for all firms, requiring companies to look at ‘pivoting’ their business models to: i) mitigate the downturn in some fields of business; and/or ii) take advantage of new business opportunities that have arisen. As such, the pace of business evolution has been accelerated by COVID-19. Previously reliant on foreign tourists and expats for a large part of their total revenue stream, Loca had to pivot towards the development of new service offerings, including a courier service for parcels and food delivery. The new data mapping platform has helped Loca significantly in these new streams of business. This suggests that a willingness to be creative and flexible is one of the best ways of achieving resilience during these challenging times.

Want to learn more about BAF II, and explore whether we can help your business to grow ? Go to [www.baf Laos.com](http://www.baf Laos.com) and let’s start a conversation.

